

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

November 29, 2006

Russell Larsen Lakeview Rock Product 900 North Redwood Road North Salt Lake, Ut 84054

Subject: Tentative Approval to Commence Large Mining Operations, Lakeview

Rock Products, Inc., Thomas Pit, M0110002, Task ID# 1615 Davis

County, Utah

Dear Mr. Larsen:

The Division has completed a review of your latest response regarding your large mine plan, received October 13, 2006. The Division is now prepared to approve the Thomas Pit mine large mining permit application. The formal notice of tentative approval was published in the appropriate Salt Lake City newspapers on July 25, 2006. No adverse comments were received during the 30-day public comment period.

Prior to issuing final approval, we require that you provide us with:

- 1. two copies of the complete and corrected plan. When final approval is issued, one copy will be stamped "approved" and returned to you for your records;
- 2. a Reclamation Contract (Form MR-RC) and reclamation surety in the amount of \$142,000.00 (copy of cost estimate attached). Please contact Beth Ericksen at (801)538-5318 or bethericksen@utah.gov to obtain the appropriate bond and reclamation contract forms.

Please provide these items by December 29, 2006. Thank you for your cooperation and patience in completing this permitting process. If you have any questions regarding this letter, please contact me at (801) 538-5258 or Lynn Kunzler at 538-5310.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

Q. Haddock

SMW:LK:jb

Enclosure: Bond Estimate cc: Beth Ericksen

 $P:\GROUPS\MINERALS\WP\M011-Davis\M0110002-Thomas Pit\final\LMO-Tentapv-11292006.doc$

RECLAMATION SURETY ESTIMATE - D10R 10/25/2006 last revision Lakeview Rock Products, Inc. Thomas Pit **Davis County** DOGM file Number M/011/002 Prepared by Utah State Division of Oil, Gas & Mining **Reclamation Details** A majority of the costs included in this estimate furnished by the operator. 10/25/06 last unit cost update Note: actual unit costs may vary according to site conditions 47.9 acres -Amount of disturbed area which will receive reclamation treatments = 47.9 acres -Estimated total disturbed area for this mine = Note Units Quantity Activity 12633 (1) 12633 Safety gates, signs, etc (mtls & installation) lump sum 12000 (3) 600 20 trips Debris & equipment removal - trucking 9600 (4) 10 days 960 Crane rental 0 (8) 0 CY 0 Regrading waste dump slopes - D10R dozer 440 0 (9) 0 acre Ripping waste dump tops - D10R dozer 2080 877.5 CY 2 Regrade switchback road 67 1406 Regrading pit floor - Cat 16G grader 21 acre 13020 (9) 620 Ripping pit floors - D10R dozer 21 acre 1 acre 852 852 (9) Ripping pit access roads - D10R dozer (2ft depth) 19910 (10) 3111 CY 6 Creating safety berms or barriers around highwalls 5 7780 1556 CY Replacing soils on safety berms 8 75 10 berms Creating Safety Berms on 5 benches 3150 (00) 525 Sampling prior to seeding 6 samples 175 3885 (00) 22.2 acre Composted manure (10 ton/acre) 28.2 acre 280 7896 (00) Broadcast seeding 2976 620 Ripping benches prior to seeding 4.8 acre 1125 (00) 75 15 acre General site cleanup & trash removal 2000 10000 (00) 5 equip Equipment mobilization 108388 Subtotal 10839 (15) Reclamation supervision -10% of reclamation estimate Subtotal 119227 11923 10% Contingency 131150 Subtotal 10833 Escalate for 5 years at 1.60% per year 141983 Total \$142,000 Rounded surety amount in year 2011 \$ 2964 Average cost per disturbed acre =